

## **An Overview of Daviess County's 2008 Annual Trending September, 2008**

The following steps were taken to conduct the 2008 annual trending in Daviess County:

### **Step 1: Calculation of New Land Values**

A local appraiser was contracted by the county to review all land values. Base land rates were adjusted accordingly per 2006 and 2007 sales. For residential property, small adjustments may have been made based on sales, but the market adjustment factor was the primary means of updating residential property values. For commercial and industrial properties, land values generally stayed consistent. Some market areas or some use types warranted influence factors; these factors were reviewed and adjusted accordingly.

### **Step 2: Calculation of New Residential Factors & Residential Studies**

Per 50 IAC 14, a preliminary ratio study was conducted for vacant and improved residential at the township level. This study dictated which property classes required further analysis, stratification, reassessment or calculation of a new neighborhood factor. In some instances, especially in rural areas of Daviess County, the preliminary ratio study indicated that assessments were both accurate and uniform. In other neighborhoods, further review was required. This resulted in the calculation of new neighborhood factors. A sales comparison was also conducted calculating the percent change for improved residential sold properties and improved residential unsold properties.

### **Step 3: Updated Commercial & Industrial Improvement Values**

New commercial and industrial cost table updates were the starting point for updating commercial and industrial improvement values. The county also changed the year of depreciation from 2006 to 2007. The Nexus Group Construction Cost Index (NCCI<sup>sm</sup>) was used to update these cost tables. These detailed construction cost models have been constructed by Nexus Group and applied uniformly by property class based on specific usage, wall type and other characteristics.

### **Step 4: Appeal Data**

In addition to updating cost tables, utilizing current sales information, adjusting land values, information obtained through the 2007 appeals process, which included appraisal information, income/expense information, etc., was also used to establish values within the county for various property class types.